IN THE HIGH COURT OF DELHI AT NEW DELHI

CS(OS) No.1360/2005

Hallmark Cards Incorporated & Anr .... Plaintiffs
Through: Mr.Pravin Anand, Advocate.

Versus

Verma Cards and Posters Pvt Ltd .... Defendant
Through: Nemo.

CORAM :-

* **HON'BLE Mr. JUSTICE ANIL KUMAR**

1. Whether reporters of Local papers may be allowed to see the judgment? YES
2. To be referred to the reporter or not ? NO
3. Whether the judgment should be reported in the Digest? NO

ANIL KUMAR, J. (Oral)

1. This is a suit for permanent injunction by the plaintiff seeking restraint against the defendant from infringement of the plaintiff's trademark and defendant passing off his goods as those of the plaintiff's and for rendition of accounts.

2. The averment of the plaintiff is that it is a company organized and existing under the laws of the State of Missouri and Mr.Charles J.Egan is authorized to institute the present suit and sign and verify the pleadings on behalf of the plaintiff. The plaintiff was founded in January, 1910 and it was known as Hall Brothers, Incorporated till

1954 and the name of the company was changed to, Hallmark Card, Incorporated with effect from 1st April, 1954.

3. The plaintiff stated that since 1915 it is engaged in manufacturing and selling greeting cards and other personal communications products such albums, calendars, personalized greeting cards, gifts and gift wrappings, home decorations, plush toys, stickers, writing papers and pens, and jigsaw puzzles, Christmas ornaments, ribbons and bows, baby keepsakes, mugs, wedding products, art supplies, collectables, party goods etc. and each of these products were sold under individual trade mark, namely, HALLMARKS, AMBASSADOR, SPRINGBOOK and others. The plea of the plaintiff is that the trademark HALLMARK, in relation to greeting cards, has distinguished the goods of the plaintiff from those of other manufacturers since the year 1925.

4. The plaintiff has averred that it publishes greeting cards in more than 20 languages which are distributed in more than 100 countries. He has given details of its annual sales figures since the year 1989 and in 1993. The plaintiff has also detailed the expenses incurred on advertising in the United States since 1989 and the expenditure incurred on the publicity and sales promotion of HALLMARK cards in other countries of the world in Para 4 of the

plaint. Copies of the advertisement cuttings in various magazines and newspapers along with other promotional material has also been filed by the plaintiff.

5. According to the plaintiff, it is a registered proprietor of the trademark HALLMARK in India since 1st December 1982 in class 16 as detailed in para 7 of the plaint in respect of "greeting cards, stationary, printed publications and printed matters" in Part 'A' of the register and has acquired distinctiveness of the word 'HALLMARK'. The plaintiff averred that the trademark HALLMARK is written in distinctive lettering in running hand wherein the initial 'H' consists of two thin vertical parallel lines, the right one longer than the left and a horizontal paint brush kind of a stroke like line completing letter 'H'. The device of a crown appears in the exact centre directly above the word HALLMARK. The special manner of representing the said mark along with the device of a crown is now exclusively identified with the cards manufactured by the plaintiff. Since 1992, Vintage Cards and Creations, being the erstwhile licensee of the plaintiff has been manufacturing and selling 'HALLMARK' greeting cards in India. The plaintiff has also filed the computer printouts detailing the trademark registrations in various countries of the world. The plaintiff has further detailed the various distributors of the plaintiff's product at Delhi in India in para 10 of the plaint to contend that use of an

identical/deceptively similar mark by any party who is not a licensee, subsidiary or franchisee of the plaintiff in India would in addition to violating the statutory rights of the plaintiff, would cause confusion/deception leading to passing off their goods as that of the plaintiff.

6. According to the plaintiff, the defendant was also engaged in the manufacture and sale of greeting cards and other personal products, such as posters, calendars, writing pads, fancy stationary and wrapping paper. The allegation of the plaintiff is that in the month of April, 1990, the company by means of a letter written by M/s Phoenix: Promotion, 18, Chowringhee Mansion, 30 Chowringhee Road, Calcutta-700016 learnt that the defendant, who had come out with greeting cards under the brand 'HALLMEX' holding out the same to be the trademark of the defendant. A cease and desist letter was sent on 6th July, 1990 on behalf of the plaintiff to the defendant. Reply to the letter was received on behalf of the defendant from Punjab Registration Service, on 16th July, 1990, who responding to the letter denied the allegations made therein. The plaintiff further sent to the defendant letter dated 6th August, 1990 and another letter in November, 1992 asking him to give up the misuse of the HALLMARK trade mark. However, the defendant continued to infringe its trade mark , and pass off his goods as those of the plaintiff. In order to

confirm the same the plaintiff purchased the cards printed by the defendant under the impugned trademark by cash memo number 000206 dated 19th of February 1994.

7. The plaintiff contended that the defendant has adopted the same mark as that of plaintiff by deleting letters 'ARK' and replacing the same by "EX" and has also inserted a crown like logo atop the mark HALLMEX and by adopting similar trade mark, the defendant is trying to pass off its goods as that of plaintiff . According to the plaintiff use of the mark HALLMEX in relation to greeting cards, whether or not represented in identical script and with or without the device of a crown, amounts to a misrepresentation to the purchasing public and is an attempt to cash the reputation and goodwill of the plaintiff . The trade mark "Hallmark" of plaintiff is registered in India in respect of "greeting cards, stationary, printed publications and printed matters" with the registration No.398286 in Part A of the register for well over 7 years and has been duly renewed from time to time and same is a proof of acquired distinctiveness of the mark 'HALLMARK'.

8. The plea of the plaintiff is that the defendant has intentionally represented its mark in an artistic lettering style, identical to the one used by the plaintiff and thus the defendant by using a similar mark

in relation to identical goods having identical channels of trade as those of plaintiff, has infringed the trade mark and copyright of the plaintiff and have also violated the common law rights of the plaintiff. Since the defendant, according to plaintiff, has violated and infringed the trade mark of the plaintiff, the suit for injunction was filed by the plaintiff seeking restraint against the defendant, its partners or proprietor, servants, agents, dealers and distributors from manufacturing, exporting, selling, offering for sale, accepting, advertising, directly or indirectly dealing in greeting cards or other printed matter under the trade mark "HALLMEX" similar with that of plaintiff's mark. The plaintiff has also sought a decree of permanent injunction against passing off the goods by the defendant as that of plaintiff and from using trade mark/name "HALLMEX" or any other mark/name with or without a device of a crown. The plaintiff has also sought delivery of all materials and rendition of accounts of profits.

9. The summon for the suit filed by the plaintiff was issued on 27th October, 1995. Written statement and documents were filed by the defendant and the admission denial of the documents, filed by the defendant was carried on 20th February, 1997. The admission denial of the plaintiff's document was not done on account of the statement given by the defendant that the admission/denial is not required. On

15th December, 1995 the defendant gave an undertaking that he has discontinued printing cards with the mark and crown over it and that he would not use the mark till the next date of hearing. Thereafter on 30th July, 1998 the defendant stated that he would abide with the undertaking, till the disposal of the present suit and therefore the order dated 15th December, 1995 was made absolute. Thereafter, issues were framed on 7th August, which are as under:-

i) Whether the plaintiff is the proprietor of trademark HALLMARK?

ii) Whether the defendant has infringed the trademark of the plaintiff as, referred to in issue no.1?If so, its effect?.

iii) Whether the plaintiff is entitled to rendition of accounts?

iv) Whether the goods of defendant are passing off as that of the plaintiff?

v) Relief.

10. The matter was listed for cross examination of the plaintiff's witnesses on 6th & 7th April, 2004 and defendant's witnesses on 8th and 9th April, 2004. Then the suit was transferred to District Courts on 28.11.2003 as the suit was valued at less than Rs. 20 lakhs. After the suit was sent to district court the defendant stopped appearing. An amendment was sought by the plaintiff seeking to the enhance the valuation of suit from Rs.5,01,600/- to Rs.20,6000/-. The amendment sought was allowed and the suit was sent back to the

High Court by an order dated 16th September, 2005 on account of lack of pecuniary jurisdiction of the trial Court. Court notices were issued to the defendant through counsel on 20th October, 2005, 29th November, 2005, 18th January, 2006, 23rd February, 2006 & 31st March, 2006 and since the defendant was not served by way of ordinary summons and it was not possible to serve the defendant by ordinary means, therefore, an order for service by way of publication in newspaper "Statesman" and by way of affixation at the last known address and on the notice board of the Court was passed. The defendant was duly served by the substituted service, however, no one appeared on behalf of defendant and, therefore, defendant was proceeded ex parte on 26th July, 2006.

11. As defendant had been proceeded ex parte, the deposition of the witness of the plaintiff on affidavit dated 8th December, 2006 of Col.J.K.Sharma, authorized signatory of the plaintiff, was filed. Col.J.K.Sharma proved the copy of the resolution in his favour as Exh.PW-1/2. He deposed in detail about the establishment of the company and various activities carried on by the plaintiff and registration of various trade marks for different products under different categories. The witness of the plaintiff also deposed about the registration of trade mark "HALLMARK" in more than hundred countries of the world including India in relation to greeting cards

which has distinguished the goods of the company from those of other manufacturers since 1925. The said witness proved certified copies of the trademark registration in Australia, South Africa, Britain, Hong Kong and Singapore as Ex.PW-1/3 to PW1/8 and the legal proceedings certificates as Ex.PW-1/9. The said witness also deposed about the distinctive logo of the plaintiff's mark and has proved the samples of the plaintiff's card with the distinctive logo as Ex.PW-1/10 to 13. The witness has deposed that since 1992 the plaintiff company has been selling HALLMARK cards in India through its licensed user, Vintage House, 33, Nagar Road, Pune-411014. The said witness deposed that in November 1996, the website of the plaintiff focusing on the corporate and product information was launched and has proved the plaintiff's website along with the domain name registration details as Ex.PW-1/14. The witness of the plaintiff deposed that since the trademark and trading style HALLMARK is a well known, any use of identical and deceptively similar mark by any third party, not being licensee, subsidiary or franchisee of the company in India, would violate the plaintiff's statutory rights and will also cause confusion or deception leading to passing off defendant's goods as that of the plaintiff.

12. The witness further deposed that on the date of institution of the suit the company had been manufacturing and selling HALLMARK

greeting cards in India through its licensee and that the goods of the plaintiff were also sold through vast distribution network inter-alia at Delhi and in other parts of the country. It was further deposed that the defendant is indulging in manufacturing of greeting cards under the name HALLMEX holding out the same to be the trademark of the defendant. The witness has proved the copy of the letter received from M/s.Phoenix Promotion, disclosing the manufacturing of the cards by certain local entrepreneurs, including defendant thereby infringing upon the company's trademark and copyright, and the same was exhibited as Ex.PW1/15.

13. The witness has further proved the cease and desist letter sent by the plaintiff to the defendant dated 6th July, 1990 and the reply thereto from Punjab Registration services on behalf of the defendant and another letter sent by the plaintiff to the defendant asking him to desist from using the trademark 'HALLMEX' by the defendant and exhibited the same as Ex.D-7, 8 & 6 respectively. The office copy of another letter sent by the plaintiff in order to settle the matter amicably filed by the plaintiff has been exhibited as Ex.PW-1/16. The witness has also proved the cash memo dated 19th February, 1994 evidencing the purchase of cards printed by the defendant bearing the impugned trademark thereby confirming the continued infringement

of the plaintiff's trademark and passing off its goods as those of the plaintiff. The cash memo has been exhibited as Ex-PW-1/17.

14. The witness has also proved an application for registration of the impugned trademark HALLMEX in the distinctive logo style of the company and with a crown like device and an extract of the trademark journal containing the advertisement of the said mark, which was filed by the defendant and the same was exhibited as Ex.D-1. The witness has further proved the notices issued by the plaintiff to the defendant dated 17th February, 1995, 21st march, 1995 and 21st April, 1995 as Ex.D-4, 3 & 2 respectively. The witness has also proved a letter dated 20th March, 1995 filed by the defendant as Ex-D-5 wherein the defendant has not denied the copying of the plaintiff's copyrighted material.

15. Issues no. 1, 2 & 4

The pleas and contentions raised by the plaintiff are proved pursuant to the deposition of the plaintiff witness, Col.J.K.Sharma(Retd.), who is the authorized signatory of the plaintiff. The deposition of the plaintiff witness has remained unrebutted and consequently the plaintiff has been able to prove that the plaintiff holds trade mark and copyright in the word "HALLMARK" for its products inter alia, greeting cards, stationary, printed publications

and printed matters and the defendant has no right to adopt the trade mark and violate the copyright of the plaintiff.

16. The plaintiff's mark is a registered trademark in India since 1982 for class 16 goods and a certificate of registration has been filed by the plaintiff. From the various communications exchanged between the plaintiff and the defendant it is clear that the defendants have no where denied the use of the mark HALLMEX in relation to similar goods as that of the plaintiff. In the reply to the plaintiffs notice dated 6th July, 1990 the defendant, however, stated that HALLMEX is an invented word and there is no phonetic or visual similarity to the trademark HALLMARK. There is nothing on record to show that the mark of the defendant is different from that of plaintiff's mark. In fact from the copy of application for registration of the mark HALLMEX with a crown like device atop filed by the defendant, which documents has been proved by the plaintiff, it is apparent that there is a characteristic similarity between the plaintiffs mark and the defendant mark and may cause confusion if the same is used in respect of similar goods. The plaintiff has demonstrated the use of mark HALLMEX on greeting cards and has filed the greeting cards on which the mark has been used. In letter dated 20th March, 1995 which has been proved by the plaintiff, the defendant admitted that he has used the plaintiff's copyrighted material, however, stated that

those greeting cards were printed by the plaintiff 2 yrs. back and that he has discontinued in dealing in the same and that the defendant has devised his own designing for his cards. However no new designs of the cards have been proved by the defendant.

17. The defendant had filed a letter from trademark registry dated 29th March, 1995 to establish that the defendant's application for registration of the trademark HALLMEX in clause 16 was allowed subject to a disclaimer to the word 'Greeting' which letter has been denied by the plaintiff. As per the plaintiff the defendant's trademark has not been registered yet and the application is pending. There is nothing on record filed by the defendant to rebut the plaintiff's allegation. In the facts and circumstances of the case the plaintiff has sufficiently proved that the defendant is manufacturing goods using a mark which is deceptively similar to the plaintiff registered trademark. There is nothing on record to show the registration of the mark HALLMEX of the defendant and in fact the defendant has himself stated that he has used the plaintiff copyrighted material.

18. Considering the plea of the plaintiff and evidence lead and the documents filed, it is apparent that the plaintiff has the trade mark in the word "HALLMARK" and the defendant is not entitled to breach the same rather the defendant has in one of the correspondences stated

that he has used the trademark which is identical to that of the plaintiff and has discontinued the same. The defendant, has, however, continued to infringe the trade mark of the plaintiff and has also been passing of his goods as that of the plaintiff. These issues are therefore, decided in favor of the plaintiff and against the defendant holding that the plaintiff is the proprietor of trade mark 'HALL MARK' which been infringed by the defendant and he is passing of his goods as that of the plaintiff. The issues are thus decided accordingly.

19. Issue no.3

The learned counsel for the plaintiffs Mr. Anand says on instruction that considering the facts and circumstances, he is no pressing the relief of rendition of account of profits and for an order for delivery of material including labels, blocks, dies greeting cards and stationary or any other printed material bearing the impugned mark. Therefore, this issue does not require any adjudication.

20. Therefore, in the facts and circumstances the plaintiff has been able to make out a prima facie case and balance of convenience is also in favor of plaintiff. In case the defendant is not restrained from using the trade mark "HALLMEX" for "greeting cards, stationary,

printed publications and printed matters", plaintiff shall suffer irreparable loss and injury.

21. In the circumstances, the suit of the plaintiff is decreed and a decree for perpetual injunction is passed in favor of plaintiff and against the defendant restraining him from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in greeting cards or any other printed matter under the trademark HALLMEX and in any way infringing the trademark of the plaintiff bearing registration No.398286 in Class 16 and passing off his goods as that of plaintiff. Cost of the suit is also awarded to the plaintiff against the defendant. Decree sheet be drawn. All the pending applications are also disposed of.

October 22, 2007 **ANIL KUMAR, J.**
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